Policy

UNIVERSITY OF WEST FLORIDA REAL PROPERTY POLICY

BOT -10.02-06/18

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Board of Trustees Policy BOT-10.02-06/18

TO: The University of West Florida Community

FROM: The University of West Florida Board of Trustees

SUBJECT: UWF Real Property Policy

1.0 DEFINITIONS

Words and terms used herein shall have the same meanings, for the purpose of this Real Property Policy, ascribed to them in Exhibit A attached hereto or elsewhere defined in this Real Property Policy unless the context or use clearly indicates a different meaning.

2.0 PURPOSE AND INTENT

The University of West Florida Board of Trustees is the public body corporate created by Article IX, Section 7 of the Constitution of the State of Florida and empowered to administer the University of West Florida (the "Trustees" or "Board of Trustees"). As the administering body corporate of the University of West Florida (the "University" or "UWF"), the Trustees hold the assets of the University in trust and are responsible for the efficient and effective use of its resources.

Direct Support Organizations are separately incorporated and operate exclusively for the benefit of the University. The Trustees, pursuant to Section 1004.28, Florida Statutes, are authorized to establish, decertify and provide oversight of the University's Direct Support Organizations ("DSO"s) and they establish the conditions with which these entities must comply in order to use property of the University. This policy is intended to provide guidance to the University and its DSOs in in connection with these assets.

3.0 STATEMENT OF POLICY

3.1 This Policy is intended to permit the purchase, sale or leasing of improved or unimproved real property covered by this Policy in a manner that provides the best value.

3.2 This Policy is intended to ensure that the use of real property covered by this Policy (consisting of land, buildings, leaseholds, water rights, air rights and mineral rights) supports UWF's mission, minimizes financial risk, and avoids inappropriate use.

3.3 The University Vice President of Business, Finance, and Facilities/CFO ("CFO"), on behalf of the Board of Trustees, is charged with primary responsibility for administering this Policy.

3.4 This Policy is intended to exclude real estate transactions entered into for investment purposes from this Policy, as they are covered by applicable investment policies.

3.5 This Policy is not intended to replace or amend the University's Debt Management Guidelines (the "Guidelines"). As set forth therein, debt of the University and its DSOs may only be incurred pursuant to the provisions of the Guidelines and applicable law. Conventional mortgages may be granted by the University's DSOs for real property acquisition without further approvals, provided that the University reserves the right to approve the grant of such mortgages in excess of $1,000,000.

4.0 ENTITIES COVERED BY THIS POLICY

4.1 The Policy applies to all University centers, institutes, departments, and DSOs.

4.2 Real property activities covered by this Policy, require approval by the appropriate center, institute, department, or DSO Board of Directors and, in certain instances defined later in this Policy, review by the Board of Trustees.

5.0 ACQUIRING, LEASING AND DISPOSING OF REAL PROPERTY

5.1 The University's real property (land, buildings, leaseholds, air rights, water rights, and mineral rights) is held in trust by the State of Florida or other State entity, the University or DSO, and is managed, as appropriate, by the University Board of Trustee or the Board or the Boards of Directors of the DSOs.

5.2 The Board of Trustees reserves to itself the right to review and has an obligation to review, in a timely manner, material real property transactions covered by this Policy. Final approval of material real property transactions is the obligation of the Board of Trustees. Material real property transactions of UWF entities covered by this Policy are generally space leases for total cumulative rentals over the term of the lease exceeding $500,000, ground leases with cumulative rentals in excess of $100,000 or for property upon which improvements will be constructed with an estimated value exceeding $2,000,000, privatized development projects exceeding $2,000,000 in construction cost, and the gift, purchase or sale of real property having a value greater than $1,000,000.

5.3 The Board of Trustees' review of material real property transactions will be conducted prior to the execution of agreements and follows a review by the University institute, center, department, DSO Board (if applicable), and the University CFO, to ensure that the use of the facilities supports the mission, minimizes insurance risk, clarifies legal responsibilities and avoids inappropriate use. Material real property transactions consisting of a gift or donation to the UWF Foundation are exempt from Section 5.3, if entered into, executed and conducted according to the "University of West Florida Foundation Gift Acceptance" policy for real estate and real property. Nothing herein shall be deemed to restrict the Board of Trustees' right to and obligation of final review and approval of material real property transactions to the UWF Foundation regardless of type, i.e. purchase, lease, privatized development project, gift or donation.

5.4 The University CFO is responsible for facilitating the Board of Trustees' prior review of material real property transactions in a timely manner. Upon submission for review, the

submitting entity will be notified of the anticipated Board of Trustees review date in a timely manner.

5.5 Acquisitions of real property covered by this Policy must support the educational, research or outreach mission. Dispositions of real property may occur when it is determined that the real property is not needed (nor will it be in the future) to fulfill the mission.

5.6 A privatized development project involving private sector owner/operators must serve a UWF institutional purpose, serve a demonstrated institutional need, and meet appropriate design and construction standards. The University CFO shall review and approve design and construction standards for all privatized development projects of UWF entities covered by this Policy prior to the execution of agreements and/or commencement of the selected solicitation process.

5.7 UWF entities covered by this Policy will minimize their exposure to legal and financial claims for damages under applicable laws, including those governing the environment and hazardous materials, by ensuring that all appropriate due diligence is conducted concerning the proposed real property asset, prior to acquisition.

5.8 UWF entities covered by this Policy will dispose of property expeditiously and in a manner that maximizes returns, considers public purposes and avoids conflicts of interest.

6.0 LEASING AND USING NON-UWF REAL PROPERTY

6.1 UWF entities covered by this Policy may lease (acting as lessee) non-UWF real property (land or building space) only for institutional purposes. Such leasing activities will comply with UWF's regulation and policy pertaining to leased property. (See UWF Reg. 6.002). UWF institutes, centers, departments, and DSOs are responsible for the proper use of leased property under their control.

7.0 UWF REAL PROPERTY TRANSACTIONS

7.1 Prior to the approval of real property transactions by UWF entities covered by this Policy, the following practices will be considered to ensure that the use of covered facilities supports the institutional mission, minimizes financial and insurance risks, clarifies the legal responsibilities and avoids inappropriate use.

7.2 Each real property transaction covered by this Policy shall be reviewed by University CFO to ensure compliance with the following:

a. Consistency with the UWF Strategic Plan.

b. Responsible decision-making and coordinating communications regarding the transaction at issue.

c. A designated budget source or appropriate funding source for the transaction.

d. Compliance with Florida Statutes and Regulations, as applicable, and University Regulations and Policies.

e. Prior to acquisition of real property, the University shall obtain at least one appraisal by an appraiser with Members of Appraisal Institute (MAI) status, for each purchase in an amount greater than $100,000 and not more than $500,000. For each purchase in an amount in excess of $500,000, the University shall obtain at least two appraisals. If the agreed to purchase price exceeds the average appraised value, the purchase must be approved by an affirmative vote of 2/3 or more of the members of the Board in attendance at the meeting at which the vote is taken. If the acquisition of real property is by the University, the appraisals described herein must be performed by an appraiser approved pursuant to Section 253.025(6)(b), Florida Statutes. If the acquisition of real property is by a DSO, prior to acquisition of real property, the DSO shall obtain at least one appraisal by an appraiser with Members of Appraisal Institute (MAI) status. If the agreed to purchase price exceeds the appraised value, the purchase must be approved by an affirmative vote of 2/3 or more of the members of the DSO Board in attendance at the meeting at which the vote is taken.

f. Prior to the acquisition of real property, a qualified consultant, acceptable to the CFO, shall perform an environmental review on each parcel of real property to determine if there are any environmental problems affecting the property and, if the environmental review indicates concerns, additional investigations will be performed as recommended.

g. Prior to sale or donation of real property, the University or DSO shall obtain at least one appraisal by an appraiser with Members of Appraisal Institute (MAI) status, for each sale or donation in an amount greater than $500,000.

h. Prior to acquisition of real property, necessary documentation concerning the property should be provided by the seller, including but not limited to evidence of title, land survey, soil and other surveys and tests, and verification of legal access.

i. Prior to acquisition of real property, a determination will be made concerning availability of insurance for the facility and improvements, and arrangements will be made for appropriate insurance upon acquisition.

j. Following the real property closing, the Office of General Counsel or counsel to the DSO will file the Statement of Owner of Real Estate Claimed to be Exempt from Taxation with the appropriate city and county offices for properties acquired.

k. Prior to approval of a sublease of UWF property, proposals for sublease shall be received and evaluated in a manner consistent with Florida Statutes and competitive practices, including receipt of appropriate appraisal(s). In any event appraisals will be obtained in connection with subleases for space with cumulative rentals over $500,000, ground leases with cumulative rentals in excess of $100,000, and ground leases for land upon which improvements with an estimated value of $2,000,000 or more will be constructed. Subleases will contain standard terms and conditions appropriate to subleases of State property, including provision for title to improvements to vest with the

state upon completion of construction or expiration/termination of the sublease.

8.0 EXCEPTIONS TO POLICY

8.1 Exceptions to some of the requirements specified in this Policy may occasionally occur. The University CFO and respective DSO Board, if applicable, shall be informed immediately of any potential exception.

8.2 Each proposal for exception shall be reviewed by the University CFO and other officials he/she deems appropriate. Exceptions may be temporary or more permanent; they may be self-correcting, require specific action or require no action. If specific action is required, the University's CFO will determine the course of action that will correct exceptions.

8.3 The Board of Trustees and the DSO Board, as appropriate, will review exceptions and the course of action to correct the exceptions. The Board of Trustees reserves to itself the exclusive right to revise or grant exceptions to this Policy.

Specific Authority: Florida Statute §§ 1001.706, 1001.72, 1001.73, Florida Board of Governors Regulation 1.001.

History – initially adopted by the by the University of West Florida Board of Trustees March 2013; amended June 2018.

EXHIBIT A - DEFINITIONS

"**Board**" of the University means the University of West Florida Board of Trustees. "Board" of the University shall include the Executive Committee, provided that the Board has delegated appropriate authority to an Executive Committee.

"**Board**" of the DSO means the governing body for such entity and shall include the Executive Committee, provided that the Board has delegated appropriate authority to an Executive Committee.

"**DSO**" means a direct support organization certified by the University Board of Trustees in accordance with the provisions of Section 1004.28, Florida Statutes.

"**Executive Committee**" means the Executive Committee of the University of West Florida Board of Trustees or DSO Board, provided that the Board has delegated appropriate authority to an Executive Committee.

"**Office of General Counsel**" means the University General Counsel, Office of the University General Counsel, outside counsel retained by the Office of General Counsel or counsel of the DSO.

"**Statutes**" mean the Federal and State of Florida laws and regulations, the State of Florida Administrative Code Rules of the Department of Education applicable to the University, the Board of Governors' regulations/policies, and any Statutes and Rules applicable to DSOs, including Section 1004.28, Florida Statutes, and any applicable University regulations.

"**Trustees**" means the members of the University of West Florida Board of Trustees.